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SUBJECT: EU LEADERS BACK BARROSO FOR NEW TERM AS COMMISSION HEAD;

FORMAL APPOINTMENT IN LEGAL LIMBO

REF: USEU BRUSSELS 826

- 11. SUMMARY: EU leaders in their June 18-19 European Council meeting unanimously backed Jose Manuel Barroso for another five-year term as Commission President, but stopped short of a formal nomination, pending consultations with the European Parliament. Newly elected MEPs will now have an opportunity to influence the process, the outcome of which cannot be guaranteed in spite of Barroso's attempt to placate opponents by highlighting his resolve to tackle the economic crisis and climate change. The chairs of the EP political groups will decide on July 9 whether the newly-elected EP will be prepared to hold a confirmation vote at its first plenary session in Strasbourg starting on July 14. END SUMMARY
- 12. The agreement to name Barroso was reached "unanimously" during the June 18 dinner held by the EU-27 heads of State and government. Speaking at a joint press conference with Czech Prime Minister Jan Fischer in the wee hours of June 19, Barroso said he was proud and touched. He attributed this support to his promise to take further steps in tackling the economic crisis and fighting climate change, EU priorities.
- 13. Barroso's chances of securing a new mandate were boosted when his fellow European People Party came out on top in the June 4-7 elections to the European Parliament (reftel). He also won support from many heads of State and government, including several Socialist leaders, and was the only declared contender for the job. Barroso is, nevertheless, facing a campaign from influential left-of-center and Green group members in the European Parliament (EP) to block his reappointment. Wary of Parliament's challenge, France and Germany insisted last week that Barroso should commit to a clear plan for his second term.
- 14. Barroso himself is keen to win formal EP confirmation on the basis of the Treaty of Nice, which requires a majority vote of MEPs present. A postponement of the confirmation, to await ratification of the Treaty of Lisbon, would then require an absolute majority of EP membership under the new treaty. Several leaders over the past few days argued that a swift reappointment of Barroso would ensure stability of the EU bodies in uncertain times. Barroso had an ally in Swedish PM Reinfeldt, who openly called on June 18 for the European Council to record formal approval of Barroso, so that the upcoming Presidency can work with a firmly established Commission President.
- 15. At his press conference with Barroso, Czech PM/European Council chair Fischer called for a quick confirmation vote in the European Parliament, arguing that in the current times of economic crisis, "any postponement, any delays in the nomination would not be a good thing." Fischer and Reinfeldt, in their capacities as current and incoming Presidents of the European Council, will now engage the European Parliament to determine whether it will approve the nomination of Barroso at its inaugural mid-July plenary session in Strasbourg. In light of these discussions, the European Council would then "formalize" (presumably in writing) its decision on the nomination.
- $\P6$ . In his address to leaders at the onset of proceeding of June 18,

outgoing EP President Pttering recognized that, in contrast to the situation before the elections, there were now "differing views" within the EP on the timing of choice of the Commission President. At his own press conference following his address to the EU leaders, Pottering said he personally favored the selection of Barroso, for the sake of stability in the current context of economic crisis. He contended, too, that an early vote on Barroso would "strengthen" the EP. He added that the EP Conference of Presidents -- i.e. the chairs of the EP political groups -- will decide on July 9 whether the newly-elected EP will be prepared to hold a confirmation vote at its first plenary session in Strasbourg starting on July 14.

 $\P$ 7. COMMENT. The formation and appointment of a new Commission is a delicate moment for relations between EU governments and Parliament, which is anxious to enhance its visibility and credibility in the EU power game. Barroso's fellow EPP members alone have put forward a candidate, and they emerged from the elections as the largest EU-wide party. However, they still need to win allies in other political groups to secure a clear majority for their candidate, whether under Nice or especially under Lisbon. Government leaders paying lip service to the need to hold full consultations with Parliament are also playing their political cards. The complexity of EU procedures and wavering between the letter of the current Treaty of Nice and the spirit of the still-pending Lisbon Treaty conceals political maneuvering behind the scenes. By keeping Barroso in a legal limbo, Chancellor Merkel and President Sarkozy seem to be aiming to influence the allocation of key portfolios in the Commission.

MURRAY